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No. 86-1787.

In the
Supreme Court of the United States.

OCTOBER TERM, 1986.

L.L. BEAN, INC.,
APPELLANT,

v.

DRAKE PUBLISHERS, INC., ET AL.,
APPELLEES.

ON APPEAL FROM THE UNITED STATES COURT OF APPEALS
FOR THE FIRST CIRCUIT.

Motion to Dismiss and for Summary Affirmance.

ELLIOTT L. EPSTEIN,
ROBERT S. HARK,
ISAACSON, HARK & EPSTEIN,
55 Lisbon Street,
P.O. Box 630,
Lewiston, Maine 04240.
(207) 786-4271

NORMAN S. BEIER,
LAWRENCE E. ABELMAN,
ABELMAN, FRAYNE, REZAC & SCHWAB,
708 Third Avenue,
New York, New York 10017.
(212) 949-9022
Counsel for Appellees

June 5, 1987

BATEMAN & SLADE, INC. BOSTON, MASSACHUSETTS

Questions Presented.

The questions presented by this Motion to Dismiss or affirm are:

I. Whether this Court has jurisdiction to hear an appeal from a disposition of one, but not all, of a multi-count complaint alleging various federal and state causes of action, where the district court made no determination or direction under Rule 54 (b);

II. Whether the decision of the Court of Appeals held the application of the Maine Anti-dilution Statute to be unconstitutional or whether it merely construed the statute; and

III. Whether the grounds asserted on appeal are so insubstantial as to warrant no further argument.

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Motion to Dismiss or Affirm.

The appellees move the Court to dismiss the appeal herein or, in the alternative, to affirm the judgment of the United States Court of Appeals for the First Circuit on the grounds that this Court lacks jurisdiction over the appeal and that the questions on which the decision of the cause depends are so insubstantial as to need no further argument.

Statement of the Case.

The jurisdictional problem presented by L.L. Bean's appeal is based upon the following facts and procedural events:

(1) The complaint in this action contained eight counts, each incorporating a separate and distinct cause of action, as follows:

Count I. Maine's Trademark Dilution Law, 10 M.R.S.A. § 1530;

Count II. § 32(1) of the Lanham Act (15 U.S.C. § 1114(1));

Count III. § 43(a) of the Lanham Act (15 U.S.C. § 1125(a));

Count IV. Common law unfair competition;

Count V. Maine's Deceptive Trade Practices Act, 10 M.R.S.A. § 1212;

Count VI. Interference with prospective business advantage;

Count VII. Trade libel;

Count VIII. Claim for punitive damages.

(2) The District Court's disposition of the cross motions for summary judgment resulted in an injunction against defendant's publication under Count I and dismissal of Counts VI and VII. The other five counts remain pending.

(3) The Court of Appeals for the First Circuit had jurisdiction to hear the appeal from the injunction under 28 U.S.C. § 1292(a)(1). The Court of Appeals vacated the injunction issued by the District Court and remanded.

(4) This appeal ensued.

Argument.

I. The Court of Appeals for the First Circuit Did Not Find the Anti-Dilution Statute Unconstitutional as Applied and, Therefore, This Court Has No Jurisdiction to Hear a Direct Appeal.

Under 28 U.S.C. § 1254(2), this Court has jurisdiction to hear a direct appeal from a party who has relied upon a state statute held by a court of appeals to be invalid as repugnant to the Constitution. Bean bases its appeal upon the ground that the First Circuit held Maine's anti-dilution statute to be unconstitutional as applied. A careful reading of the First Circuit's opinion, however, shows that the appeals court was not holding the anti-dilution statute unconstitutional, but rather construing it so as to avoid unconstitutionality.

The First Circuit noted that:

> Neither the strictures of the first amendment *nor the history and theory of anti-dilution law* permit a finding of tarnishment based solely on the presence of an unwholesome or negative context in which a trademark is used without authorization. *Such a reading of the anti-dilution statute unhinges it from its origins in the marketplace.*

(Jurisdictional Statement App. at 24a) (emphasis added).

The Court also observed:

> *If the anti-dilution statute were construed* as permitting a trademark owner to enjoin the use of his mark in a noncommercial context found to be negative or offensive, then a corporation could shield itself from criticism by forbidding the use of [plaintiff's] name

> in commentaries critical of its conduct. The legitimate aim of the anti-dilution statute is to prohibit the unauthorized use of another's trademark in order to market incompatible products or services. . . .
>
> The reading of the anti-dilution provision advance by the district court would improperly expand the scope of the anti-dilution statute far beyond the frontiers of commerce and deep into the realm of expression.

(Jurisdictional Statement App. at 28a) (emphasis added).

As the above-quoted language suggests, the First Circuit examined the history, theory, and policy of the anti-dilution statute in order to determine its scope. Such an examination would have been unnecessary if the Court were convinced that the anti-dilution statute applied to the "Sex Catalog" and simply intended to hold that application unconstitutional. Rather, it appears that the First Circuit decided that the First Amendment would not be offended if the anti-dilution statute were interpreted so as to confine its application to unauthorized commercial uses of trademarks and to exclude non-commercial uses.

Therefore, the Court lacks jurisdiction to hear a direct appeal.

II. The Judgment Below Lacks Finality.

The policies underlying the "finality" test identified by this Court in *New Orleans* v. *Dukes*, 472 U.S. 297, 303, 96 S.Ct. 2513, 2516, 49 L.Ed. 2d 511, 516 (1976) — avoiding needless constitutional decisions, piecemeal review and the rendering of advisory opinions — would not be served by hearing this appeal. There are other pending federal and state law claims in the case, which, if decided in favor of plaintiff, could result

in the issuance of an injunction against the "Sex Catalog" and render moot consideration of the constitutionality of the injunction issued by the District Court under the anti-dilution statute. Moreover, because this case was brought before the Court of Appeals pursuant to its statutory power under 28 U.S.C. § 1292(a)(1) to consider interlocutory appeals, no determination or direction for entry of a final judgment pursuant to Rule 54(b), F.R.C.P., was made by the District Court. Congress has not seen fit to enact a jurisdictional counterpart to 28 U.S.C. § 1292(a)(1), endowing this Court with appellate jurisdiction coextensive with that of the courts of appeals to hear interlocutory appeals. Therefore, this Court may lack jurisdiction to hear the instant appeal.

III. Drake Submits That None of the Issues Raised by Bean Are Significant Enough to Command the Plenary Jurisdiction of this Court.

A. *This Case Does Not Present an Issue Left Unresolved by Previous Supreme Court Cases.*

Bean suggests that its trademark rights not only embody property rights but rights of commercial speech to be balanced against Drake's commercial speech rights (Jurisdictional Statement at 8-10). Because the reach of commercial speech rights exercisable by a trademark owner has been explored in only one Supreme Court case, *Friedman* v. *Rogers*, 440 U.S. 1 (1979), and because this area of the law is "as yet uncharted," Bean asks this Court to use the present appeal as an opportunity to provide guidance on the subject (Jurisdictional Statement at 9-10).

Bean's right to speak is not at issue in this case. Bean has an unquestionable right to use its trademark in any way it sees

fit, subject only to reasonable government regulation designed to prevent deceptive, misleading applications. *Friedman* v. *Rogers, supra* at 15-16. It is not Drake that is seeking to silence Bean, but Bean that is seeking to enjoin Drake from speaking under the anti-dilution statute.[1] While Bean's use of its trademark in a commercial context is a form of commercial speech, *Friedman* v. *Rogers, supra* at 11. Drake's use of that trademark, for reasons discussed in argument D of this Motion, is not commercial speech, but a form of literary expression. Thus, this Court need not consider the novel issue of how to balance the rights of two commercial speakers.

B. *The Question Presented Is Insubstantial.*

Nothing, beyond its colorful facts and the national prominence of Bean, raises this case to any greater significance than any other First Amendement prior restraint case. Bean's suggestion that the rights of millions of trademark owners hang in the balance is contradicted by the paucity of cases wherein state anti-dilution statutes have confronted First Amendment rights of satirists.

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[1] Bean seeks to avoid this obvious conclusion by suggesting that Drake, through its unauthorized use of Bean's Trademark, is "speaking in the corporate voice of L.L. Bean," and that the First Circuit's decision, therefore, "would compel expression by a speaker who otherwise chooses to remain silent." See *Wooley* v. *Maynard*, 430 U.S. 705, 713 (1977) (Jurisdiction Statement at 14). *Wooley* v. *Maynard* has no application to this case. In *Wooley*, a state forced its motorists to become a "mobile billboard" for the state's motto by requiring the use of licenses plates bearing that motto and by criminally prosecuting drivers who covered up the motto. Bean is not being forced to subscribe to any form of expression or point of view through the use of its trademark, much less those contained in the "Sex Catalog." It is free to disassociate itself from and criticize both the "Sex Catalog" and Drake.

C. *The Lower Courts Are Not in Conflict on the Issues Presented by this Appeal.*

Bean suggests that the Second Circuit and the Eighth Circuit are in conflict with the First Circuit on the constitutionality of applying state anti-dilution statutes to trademark parody. In fact, no such conflict presently exists.

Mutual of Omaha Insurance Co. v. *Novak*, 775 F.2d 247 (8th Cir. 1985), cited by Bean, did not involve application of a state anti-dilution statute; instead, plaintiff relied only on the Lanham Act, 15 U.S.C. §§ 1114, 1125(a), and the Nebraska Uniform Deceptive Trade Practices Act, and "the district court reached only the Lanham Act issues in granting the preliminary injunction." *Id.* at 248.

The Court of Appeals affirmed the grant of the preliminary injunction, stating:

> The [district] court also rejected Novak's [defendant's] argument that his designs were good faith parodies and not subject to the Lanham Act. The court held that a validly established trademark may be protected from ridicule *which rises to the level of infringement of the mark.*

Id. at 249 (emphasis added).

The Lanham Act, unlike state anti-dilution law, does not prohibit all unauthorized uses of a trademark likely to cause injury to business reputation or dilution of the mark. It only bars unauthorized uses likely to cause confusion. 15 U.S.C. § 1114(1); *Pignons, S.A. De Mecanique De Precision* v. *Polaroid Corp.*, 657 F.2d 482, 486-487 (1st Cir. 1981).

The likelihood of confusion element embodied in the Lanham Act alleviates, to some extent, the constitutional and

construction problems posed by the anti-dilution statute. The Court of Appeals pointed out below:

> We note that a parody which engenders consumer confusion would be entitled to less protection than is granted by our decision today. *See*, Note *Trademark Parody*, 72 Va. L.Rev. at 1112. A parody which causes confusion in the market place implicates the legitimate commercial and consumer protection objectives of trademark law.[2]

(Jurisdictional Statement App. at 26a n.3.)

The second case cited by Bean, *Dallas Cowboys Cheerleaders, Inc.* v. *Pussycat Cinema, Ltd.*, 604 F.2d 200 (2d Cir. 1979) involved both the Lanham Act and New York's anti-dilution statute. However, *Dallas Cowboys* is distinguishable from the case before this Court.

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[2] We do not wish to imply by this citation to the Court's opinion that we agree with its implications. It is our position that *non-commercial* parody such as the parody in question in this case can never constitute trademark infringement, as well as dilution. This should be obvious since such parody is not trademark usage. A trademark is designed to identify the source of origin of commercial goods; a true parody does quite the opposite — it identifies only that which is parodied.

The danger of permitting enjoining of parody is reflected in the District Court's decision in this case, wherein it enjoined Drake:

> from again publishing the "L.L. Beam Sex Catalog" contained in the October 1984 issue of *High Society* magazine *or making any other use of facsimiles of L.L. Bean's trademarks.*

(Jurisdictional Statement App. at 14a.) (emphasis added).

Thus, any use of Bean's trademarks in Drake's publications, even a laudatory editiorial usage, is forever barred. The scope of the injunction was raised on appeal by Drake, but not ruled on by the Court of Appeals.

In *Dallas Cowboys*, the Court found that the defendant's use of imitations of plaintiff's cheerleader uniforms in defendant's x-rated movie generated a strong likelihood of confusion within the meaning of the Lanham Act sufficient to support a preliminary injunction. The Second Circuit never really reached the anti-dilution issue, relegating its comments to a footnote wherein it stated:

> Even if plaintiff had not established a likelihood of confusion, it would be entitled to relief under New York General Business Law § 368-d, which permits the enjoining of trademark copying despite the absence of confusion as to source or sponsorship.

Dallas Cowboys, 604 F.2d at 205 n.8. It should be noted that plaintiff in this case, which the Court of Appeals repeatedly characterized as a trademark infringement action, was engaged in a broad licensing program of its trademark, including media licensing. The Court of Appeals held that defendants made confusing use of plaintiff's *trademark*, and that "defendants use of plaintiff's uniform *hardly qualifies as parody* or any other form of fair use." *Id.* at 206 (emphasis added).

D. *No Confusion Exists Over the Concept of "Commercial Speech."*

Bean suggests that the "Sex Catalog" is a blend of "commercial" and "non-commercial" speech and that the protection to be afforded such mixed speech is a pressing issue of constitutional significance.

Drake submits that the issue of mixed speech has already been addressed by this Court and that, in any event, the speech involved in this case is purely non-commercial speech.

"Commercial speech" is "speech which does 'no more than propose a commercial transaction.'" *Bolger* v. *Youngs Drug Products Corp.*, 463 U.S. 60, 66 (1983); *Virginia State Board of Pharmacy* v. *Virginia Citizens Consumer Council, Inc.*, 425 U.S. 748, 762 (1976). To the extent that a proposal to engage in a commercial transaction is combined with informational speech, the proper classification of the communication as "commercial" or "non-commercial," may become a closer factual question but certainly not an insoluble one.

In *Bolger*, for instance, this Court held that the mailing of unsolicited advertisements for contraceptives, which included informational materials on the general qualities of prophylactics, was commercial speech. The Court based its finding upon the existence of a combination of three facts: (1) the materials were advertisements; (2) they referred to a specific product; and (3) there was an economic motive for their dissemination. *Bolger* v. *Youngs Drug Products Corp.*, *supra* at 67. The Court noted, however, that the economic motivation for the mailing "would be clearly insufficient by itself to turn the materials into commercial speech." *Id.*

Although citing *Bolger*, Bean ignores the holding of that case and seeks to characterize the "Sex Catalog" as commercial speech solely on the basis of the defendant's economic motivation in publishing the article as part of its magazine. Bean ignores the fact that the "Sex Catalog" was not an advertisement and that it did not refer to any products. To hold otherwise would be tantamount to saying that news articles appearing in a daily newspaper were "commercial speech" because their publication was the result of editorial judgments based in part upon the desire to sell more newspapers. Moreover, the First Circuit necessarily assumed for the purposes of reviewing the appeal from entry of summary judgment that the "Sex Catalog" was a literary parody (Jurisdictional Statement App. at 17a). Thus, the "Sex Catalog" *must* be deemed "non-commercial" speech in the posture of this appeal.

E. *The First Circuit Has Not Confused Trademark and Copyright Law Concepts.*

Bean contends that the First Circuit, in concluding that Drake had a First Amendment right to parody Bean's Trademarks, improperly invoked the copyright defense of "fair use" (Jurisdictional Statement at 14-15). While the First Circuit quoted from copyright cases extolling the praises of parody (Jurisdictional Statement App. at 28a-29a), one looks in vain for any holding that "fair use" is a defense to trademark parody. It simply does not form a basis for the Court's ruling.

Conclusion.

For the above-stated reasons, the motion to dismiss the appeal herein, or in the alternative to affirm the judgment of the Court of Appeals for the First Circuit, should be granted.

Respectfully submitted,

ELLIOTT L. EPSTEIN,
ROBERT S. HARK,
ISAACSON, HARK & EPSTEIN,
55 Lisbon Street,
P.O. Box 630,
Lewiston, Maine 04240.
(207) 786-4271

NORMAN S. BEIER,
LAWRENCE E. ABELMAN,
ABELMAN, FRAYNE, REZAC & SCHWAB,
708 Third Avenue,
New York, New York 10017.
(212) 949-9022
Counsel for Appellees

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